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## EU Weekly Roundup and Policy Update (Issue 12\_2009)

### Report Categories:

Agricultural Situation

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### General Information:

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*EU Weekly Roundup and Policy Update* is a digest of European agricultural issues. The topics covered in this report are intended to help inform U.S. government policy officials of European regional, national and international

developments as they unfold. We include breaking news provided by FAS colleagues posted in EU member state countries, and also provide links to more detailed reports and web sites.

**Disclaimer:** The information contained herein is compiled from a number of sources, including press releases from the European Commission. This report therefore does not reflect official views or policies of the U.S. Department of Agriculture, or of any other U.S. Government department or agency.

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**1. Scientific Hearing on Nanotechnology** – The European Commission is organizing a one-day scientific hearing on nanotechnology which will take place on September 10, 2009, in Brussels. The hearing will focus on the risk assessment of nanotechnology related topics and not on regulatory issues. In preparation of the scientific hearing, the Commission is launching a public online consultation relating to three main objectives to be addressed:

- 1) Identification of any possible topics which have not been covered in the opinions from the relevant EU Risk Assessment Committees and Bodies;
- 2) Identification of what are - according to current knowledge - the main potential risks that could emerge from the use of nano-materials in the future;
- 3) Identification of the issues to be discussed at the hearing including provisions of background information and comments on those issues.

This public consultation offers all interested parties, including third country governments, the opportunity to submit comments until June 19, 2009. Comments received after this deadline or comments which do not relate to the scope of this consultation will not be taken into consideration. Please note that the online session to submit comments is limited to 90 minutes. If this timeframe is exceeded, comments will be lost. A pdf-document can be downloaded to prepare the submission of comments online. The outcome of the public consultation will be presented at the Scientific Hearing in September. The online consultation can be accessed on DG Sanco's website at [http://ec.europa.eu/health/ph\\_risk/committees/04\\_scenih/scenih\\_cons\\_10\\_en.htm](http://ec.europa.eu/health/ph_risk/committees/04_scenih/scenih_cons_10_en.htm).

**2. EU €1 billion for Third World Farmers moving forward** - The European Commission has today adopted a second implementation decision for €394 million to support agriculture and improve the food security situation in developing countries. This financing decision provides support of €194 million to projects and programs in 23 developing countries. Five of these countries (Kenya, Burundi, Palestine Philippines and Mozambique) were also covered by the first financial decision. In this decision, taken on March 30 this year, the Commission decided for a funding of projects for a total value of €314 million in 23 different countries.

The €194 million in funding will be channeled through international organizations such as the UN

Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD), the World Food Program (WFP), the World Bank, UNICEF and specialized agencies like the International Bureau for Animal resources (IBAR, for livestock in Somalia) and UNRWA (in Palestinian Territories). A second part of this second package, amounting to €200 million, will be channeled through non-state actors, like NGOs and private sector. The Commission will invite those bodies to submit funding proposals for projects in May. There are 35 developing countries eligible for projects under this scheme.

**3. EU export subsidies for poultry halved as GATT ceiling comes in sight** – In the April 23, 2009 Management Committee (Mancom), a European Commission (EC) proposal was adopted to decrease export subsidy levels for poultry exports by 50 percent. The EC made this proposal as poultry prices are currently 20 percent higher than the long-term average. More importantly, this [Commission Regulation \(EC\) 339/2009](#) will allow the EC from hitting its GATT value ceiling for poultry export subsidies, as, with two more months to go for the current GATT year, license applications have reached €70 million, which is 78 percent of the GATT ceiling. The license applications cover 148,000 MT, which amounts to 34 percent of the GATT volume ceiling. The Mancom report is available at <http://ec.europa.eu/agriculture/minco/manco/cmo/94.pdf>.

**4. EC continues intervention buying of butter and SMP** - In the April 23, 2009 Management Committee (Mancom), a European Commission (EC) in a third tender accepted to buy a further 9,845MT of butter into intervention storage at a price of €220/100kg. This brings the total amount of butter bought into intervention in 2009 at 61,122MT. After the 109,000MT fixed intervention scheme for SMP was exhausted, the EC also accepted a further 10,511MT of SMP into a first intervention tender at a price of €168.90/100kg. Export subsidies for dairy products were maintained at the same level. See the Mancom report at <http://ec.europa.eu/agriculture/minco/manco/cmo/94.pdf>.

**5. First U.S. poultry (turkey) plant listed on DGSANCO online list of eligible exporters** - On April 23, 2009, Jennie O became the first U.S. turkey exporter to obtain EU eligible exporter status for poultry exports to the EU ([https://sanco.ec.europa.eu/traces/output/PM\\_US\\_en.pdf](https://sanco.ec.europa.eu/traces/output/PM_US_en.pdf)). While turkey exports to the EU can now only resume product that was not treated with PRT's, it will mark the return of U.S. poultry exports to the EU after they came to a halt in 1997 as a result of the EU ban on the use of PRTs. This also means that the U.S. poultry industry finally obtains a chance to use the U.S. specific poultry quota, which was a compensation for the loss of U.S. poultry exports when the New Member States in Central Europe acceded the EU in 2004.

## **6. EU Food and Veterinary Office (FVO) plans new audits in the United States -**

The FVO has released its [Program of Audits and Inspections 2009](#), which includes inspections and audits in EU Member States (MS), EFTA countries, EU candidate MS and third countries, focusing on food safety, animal health, animal welfare, plant health, as well as general reviews of countries total oversight systems. For the United States, audits are scheduled for dairy products, live bivalve mollusks, residues of veterinary medicines in animal products, contaminants in food of plant origin, genetically modified food and feed, and Bemisia control in on the plant health side.

## **7. EFSA nominates scientific experts and renews eight scientific panels –**

In its [40th meeting of the Management Board](#) on 31 March, 2009, the European Food Safety Authority (EFSA) Management Board has approved the nomination of 174 independent scientific experts and the renewal of 8 of its scientific panels for another 3-year term. The Board also adopted the preliminary draft budget for 2010 amounting to €74.4 million. This amounts to a 2 percent increase on the 2009 budget of €73 million and a 16 percent increase on the 2008 budget. From 2007 to 2010, EFSA will have increased the annual number of scientific opinions by 385 percent, the staff by 50 percent and the productivity by 210 percent.

**8. EU Organic Logo** – On April 27, the European Commission launched a competition inviting all design and art students from the EU-27 Member States to create a new EU organic logo. Entries can be submitted until June 25, 2009, after which date a jury will select the best entries and post them on the competition website as the official candidates for the new EU organic logo. All EU citizens will then be invited to vote for their favorite online. As of July 2010, the new EU organic logo will become mandatory on all pre-packaged organic products produced in the EU and optional for products imported from third countries. Previous attempts to launch a new EU organic logo failed when the selected logo had to be withdrawn following complaints that it was too similar to the logo used by the German supermarket chain Aldi. For more information on organic labeling see <http://useu.usmission.gov/agri/organic.html>.

## **9. REPORT HIGHLIGHTS FROM USEU BRUSSELS and EU MEMBER STATE POSTS**

### **EU-27 Harmonized Indices of Consumer Prices - February 2009**

The Harmonized Indices of Consumer Prices (HICPs) for EU-27 demonstrate a 2.8 percent increase for food between February 2009 and March 2008, with a 0.9 percent increase for all items over the same period.

### **EU-27 Impact of the economic crisis on agriculture in the EU**

Although it seems that the economic crisis has impacted agriculture in Member States (including

shift in demand from higher added-value sectors to lower priced sectors, pressure on arable crops sector through lower feed demand, less use of inputs), in general it is being felt significantly less in that sector than in other parts of the economy. Measures taken by pan-EU and national authorities to minimize the impact of the crisis on the agriculture sector may be considered to have cushioned the potential consequences. From the selected Member States discussed, the most dramatic effects appear to be felt in Bulgaria and Latvia.

**EU-27 Wrap-up on Flu Precautions** - In general, EU Member States (MS) are reacting calmly to the outbreak of Mexican flu, but follow developments very closely. Travelers and tourists returning from Mexico are informed to be vigilant for symptoms of fever and to contact their medical doctor in such a case. Potentially infected people are being tested and at least one positive case was identified in Spain and two cases in Scotland-UK. After the World Health Organization (WHO) increased its pandemic alert level to Phase four, some MS have started warning against non-essential travel to Mexico.

However, MS have made reassuring statements for consumers that contact with pigs and consumption of pork is safe and that this novel flu can not be contracted in that way. Many MS explain that this so-called swine flu is in fact not a swine flu as so far no swine has been identified to have been infected with this flu virus.

**Greece – Sugar** - MY 2009 sugar beet acreage is forecast at 25,000 hectares-an increase of 16 percent from a year earlier. The Hellenic Sugar Industry (HSI) provides a variety of incentives for beets production. As a result, farmers may shift from corn to beets. As a result, Greece may exceed its sugar quota of 158,702 MT. HIS also aims to produce 300,000 cubic meters of bioethanol per year, in conformity with the EU directive to produce 5.7 percent of local fuel consumption by 2010. However, due to a variety of problems, Greece is unlikely to meet the bioethanol production target for 2010.

**Sweden - Swedish Ethanol Plant's Bi-Product Becomes Main Product** - Agroetanol has long been the largest grain-based ethanol producer in Sweden, but has now also become one of the largest producer of protein raw material for feed.

**Sweden - Swedish Chicken Industry Subject to Sabotage?** - The largest producer of chicken products in Sweden, Kronfågel, is hit by a severe food safety scare. Consumers have found pieces of glass in a wide variety of Kronfågel's chicken products. Glass is prohibited in all of Kronfågel's facilities, which raises concerns about sabotage.

**The Netherlands - Revised - Netherlands Fishery Products Report** - The Netherlands continues to offer opportunities for US seafood exporters, driven by an increase in seafood demand and a decrease in catch limits. In addition, the Netherlands provides an essential processing and logistics centre for seafood in Europe.

**The Netherlands - Dairy Trade Report** - Both the butter and NFDM intervention scheme has been filled. Export restitutions and intervention measures of the EC, have had a stabilizing effect on domestic dairy prices.

**The Netherlands - The Agricultural Economy And Policy Report On The Netherlands –**

**Belgium (without Luxembourg) - The Agricultural Economy And Policy Report On Belgium**  
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**Spain - Spain Swine Flu Update 1** - As of Monday morning, April 27, 2009, Spain has reported twenty suspected cases of swine flu in humans. One of these cases, in Albacete in southeastern Spain, has been confirmed as H1N1. Results of the pending cases should be announced by Tuesday, April 28. No trade restrictions for pork or pork products are anticipated. No Spanish hogs have been reported infected with swine flu. Spanish citizens are advised to postpone or cancel non-essential travel to Mexico.

**Czech Republic - BSE Confirmed in a Cow in the Region of Liberec in the Czech Republic -**  
The 29th case of BSE in the Czech Republic was confirmed on March 25, 2009 by the State Veterinary Administration. The cow was on farm in Roprachtice in the Region of Liberec in a northern part of the country.

**Poland - Health Check Irrelevant, CAP promotes poor development** - The Common Agricultural Policy Health Check is irrelevant in most aspects for new member states. The annual subsidy increases in their accession agreements offset program cuts and transfers. New members already have substantial rural development funds so its increase is negligible. The CAP remains a negative influence on effective farm development; the new members are a petri dish in which you can observe CAP functions. Subsidies inflate land prices, encourage poor business management, and create surpluses of goods the market does not want to buy. European farmers get money despite mismanagement and inefficiency, and whether there is a market for their product.

**Poland –Wine: New Excise Stamp Regime from March 1** - From March 1, 2009, Poland will initiate a new excise stamp regime for alcohol. Excise tax stamp plans were updated

simultaneously for tobacco. The plan mirrors a UK move in 2005. Poland's Ministry of Finance aims to simplify the regime with fewer kinds of stamps, but at the same time does raise the excise by nine percent.

#### **REPORTS FROM USEU BRUSSELS and EU MEMBER STATE POSTS:**

<b>Report Number</b>	<b>Post</b>	<b>Title</b>	<b>Date Released</b>
<a href="#">E49034</a>	USEU	Harmonized Indices of Consumer Prices – February 2009	04/07/09
<a href="#">E49036</a>	USEU	Impact of the economic crisis on agriculture in the EU	04/23/09
E49037	USEU	<a href="#">EU-27 Wrap-up on Flu Precautions</a>	04/29/09
<a href="#">GR9005</a>	Athens	Sugar	04/28/09
<a href="#">SW9006</a>	Stockholm	Swedish Ethanol Plant's Bi-Product Becomes Main Product	04/24/09
<a href="#">SW9005</a>	Stockholm	Swedish Chicken Industry Subject to Sabotage?	04/06/09
<a href="#">NL9009</a>	TheHague	Revised - Netherlands Fishery Products Report	04/23/09
<a href="#">NL9007</a>	TheHague	Dairy Trade Report	04/16/09
NL9005	TheHague	<a href="#">The Agricultural Economy And Policy Report On The Netherlands</a>	04/15/09
	TheHague	<a href="#">The Agricultural Economical And Political Report On Belgium</a>	04/16/09
	Madrid	<a href="#">Spain Swine Flu Update 1</a>	04/27/09
	Prague	<a href="#">BSE Confirmed in a Cow in the Region of Liberec in the Czech Republic</a>	04/17/09
PL9004	Warsaw	<a href="#">New Excise Stamp Regime from March 1</a>	04/09/09
PL9003	Warsaw	<a href="#">Health Check Irrelevant, CAP promotes poor development</a>	04/17/09

#### **10. What's new on the USEU Agric Website**

<http://useu.usmission.gov/agri/usda.html>

EU Budget:

- Link to FY09 EU Budget (published in Official Journal L69)
- Link to European Parliament report on the guidelines of the 2010 budget

<http://useu.usmission.gov/agri/budget.html>

Gluten-free foods:

- New EU labeling rules for gluten-free foods (GAIN report E49009)

<http://useu.usmission.gov/agri/label.html>

Medium Term Forecasts:

- USDA Agricultural Projections to 2018
- European Commission Prospects for Agricultural Markets and Income 2008-2015

[http://useu.usmission.gov/agri/mediumterm\\_forecasts.html](http://useu.usmission.gov/agri/mediumterm_forecasts.html)

Personal imports of animal products:

- Link to Commission Regulation 206/2009

<http://useu.usmission.gov/agri/travel.html>

WTO Notifications:

- G/TBT/N/EEC/254: Fruit juices (brix levels)
- G/TBT/N/EEC/255-257: Fertilizers and Pesticides

<http://useu.usmission.gov/agri/WTONotif.html>